

Michigan Public Library Trustee Manual

2004 Edition

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Finally, to those dedicated and disciplined souls who created the original Michigan Public Library Trustee Manual, we heartily thank you. Building upon the very solid base they provided, our workload was infinitely lightened.

Sincerely,

Martha Seaman McKee
Project Manager
October 2004

Welcome From the State Librarian

Dear Library Trustee:

This manual is designed to improve your experience as a library trustee. It won't answer all your questions; some can only be answered with experience. But, it will answer many and, hopefully, put you on a path toward finding other answers elsewhere.

Libraries are in great need of you – the trustee. You are your library's advocate, the voice of the public and the overseer of a sacred public trust. By learning as much as you can about the operations and nuances of the library world, the benefits will be many:

- Your library will function better;
- Your library will earn greater respect and support from within the community; and
- Your library will be better positioned to offer and sustain the programs and services your customers most want and need.

Please don't try to read this manual cover to cover. Use it as part of your orientation process, picking and choosing the areas that have meaning to you at the time. It takes at least six months to a year for a new board member to become familiar with all the processes of a library. Ask all the questions you want; your director and more experienced board members will be more than willing to help.

At the end of each chapter you will find a checklist of points to consider. You will also see references to the *Quality Services Audit Checklist*, which are quality measures created by Michigan's directors and trustees in 2004 as part of a statewide initiative to certify a library's body of services. Read more about this project in Chapter 1.

This handbook will be published in loose-leaf format so that single pages or sections can be updated or added. You are encouraged to add your own documents to your copy to make this a single, useful reference source.

Finally, enjoy yourself! Libraries are one of our nation's most enduring and valuable institutions. Access to information is a central tenet among our country's cherished freedoms. Be proud of the role you now play in keeping our democracy strong.

Respectfully,

Christie Pearson Brandau
State Librarian of Michigan

Chapter 1: Trustee Rights, Responsibilities and Orientation

A. Trustee Rights

Trustees are appointed or elected citizens representing the community who, together, constitute the body officially responsible for the operation of the library. Governing boards are policymaking boards. They can either be elected or appointed. Advisory boards act as an advisor to another governing board such as a school board or county commission. Advisory boards are always appointed.

Sometimes, advisory board trustees reading this section may wonder how it applies to their situation. It is good to remember that advisory library boards have the same concerns as governing boards, except that advisory boards must submit their recommendations to another board for approval. The governing board is relying on the advisory board to make the appropriate recommendations upon which they will act. Whether advisory or governing, library boards act with the same goal in mind: to provide the best possible library service possible to the citizens of the community.

While the statutory language authorizing various library boards may differ, the legal authority of all policymaking boards is similar. Governing boards are authorized to:

- Adopt bylaws and rules for the board's governance;
- Maintain control over the building and grounds of the library;
- Control the expenditure of all funds credited to the library fund;
- Appoint, supervise, evaluate, discipline or remove a director;
- Approve an annual library budget; and
- Adopt policies, rules and regulations regarding use of the library.

For advisory boards, the duties are the same. For legal purposes, the recommendations made by an advisory board must be approved by a governing board, but the tasks are identical. Governing boards rely on the advisory board to competently oversee the library.

The library board acts as the public trustee of the library. The community entrusts the library's welfare to the board and expects the board to keep the library running correctly. Boards also have the responsibility to see that adequate funding is provided.

Sometimes boards act in a quasi-judicial capacity when they have to resolve differences of opinion, such as personnel disputes and complaints from citizens.

While the law gives the board the legal power to run the library, successful library operations require the board to delegate some of its authority to the director. This delegation is entirely at the board's discretion: the board decides when and what to delegate, as well as whether to amend or revoke the delegation.

Delegation reflects a high level of mutual trust between the board and the director, while keeping the board in charge with respect to its role. The board is concerned with the big picture, while the director is also concerned with administering the library in accordance with the board's wishes.

At times, important matters arise which are not easily categorized as being a board matter or a director matter. In such a situation, it is imperative that the board and the director discuss the issues fully and together determine a course of action. For example, intellectual freedom (censorship) procedures usually contain a mixture of board and director responsibilities.

Regardless of your type of board, remember that a board acts as a whole. Individual trustees may not act alone, nor speak for the board as a whole, unless authorized by the entire board. Also, the board chair has no more authority than another board member, unless it is expressly given by the board at an official meeting.

Michigan is unique in granting its citizens constitutional right of access to library services. Article 8, section 9 of the state constitution states, in part:

"The legislature shall provide by law for the establishment and support of public libraries which shall be available to all residents of the state under regulations adopted by the governing bodies thereof ..."

This provision identifies the library board's authority to adopt policies or regulations. When exercising this power, the board should be aware that there is an inherent requirement that the regulations be reasonable. The board initially determines what is reasonable, but it is recommended that the library's legal counsel review all policies before board approval.

In addition to the legal aspects of library boards, there are ethical standards to be followed by board members. While ethical standards are not enforceable as law, board members are encouraged to read and follow the American Library Association's Ethics Statement for Public Library Trustees (see Appendix D) adopted by the Michigan Library Association.

The following is a short review of board responsibilities:

Administration. The board maintains indirect responsibility through adoption of a strategic plan, library policies and an annual budget. However, it leaves actual administration of the library to the director. The board keeps in touch with the library through the director's regular reports and through use of the library. The board adopts bylaws that include clear delegation of administrative duties to the library director and approves a formal policy regarding the relationship between the board, library staff and the Friends of the Library. The board encourages good communication with the Friends of the Library by sending an *ex-officio* representative from the library board to Friends' meetings and inviting a Friends representative to attend library board meetings.

Human Resources. The board hires, monitors and evaluates the director. In the absence of a union, it provides a competitive salary scale for all staff; ensures that staff receives reasonable fringe benefits such as Social Security, pension, vacation and sick leave, opportunities for professional growth and good working conditions.

Planning. The board is a major force behind the library's strategic plan. They consider all aspects of their community's library needs and plan accordingly. They adopt long- and short-range plans for the library's future, and approve the course of action and time schedule to implement those plans.

Policymaking. The board considers what policies are needed to carry forward the library's service plan. It reviews the director's recommendations and makes any change it believes necessary. The board adopts appropriate written policies and keeps them up-to-date with periodic review and revision, including legal review.

Finance. The board reviews the annual budget submitted by the director and makes necessary changes; officially approves budget requests and revises the budget, to fulfill the legal requirement of balancing income with expenditures. The board accepts and manages discretionary funds; purchases, accepts, leases, manages and sells real estate; and, taking the director's recommendations into account, accepts financial assistance from Friends. If the library is funded by appropriations, the entire board appears at budget hearings to show support for the library's financial needs. The director and/or selected board representatives submit and defend the library's budget. The board explores ways of increasing the library's income from other sources.

Advocacy. The board serves as the connecting link between the library and the community, interpreting the one to the other. The board helps to shape public opinion and governmental action at the local, state and national level. On behalf of public library services, the board contacts legislators to support legislation funding libraries, such as

state aid, penal fines and statewide millages, and/or to oppose legislation detrimental to libraries.

Continuing Education. The board sets aside time at its meetings to study topics of concern to the library. The members read this manual and other informational materials. It sees that new trustees receive planned orientation. Board members attend district, state and national trustee or trustee-related meetings and are encouraged to join the Michigan Library Association's Trustees and Advocates Division.

B. Trustee Responsibilities

Library boards function successfully when each trustee fulfills these responsibilities:

Attend all board meetings. Boards conduct their business at meetings and need attendance to function effectively. If you cannot attend all meetings, with exceptions for illness or emergencies, think about resigning your post to make room for someone who can fully participate.

Participate at meetings. Each trustee needs to discuss issues and make intelligent votes. Inactive and passive board members weaken a library board. If you have an opinion, express it. Come prepared—this means reading the minutes, financial and other reports prior to the meeting.

Become a team player. Effective library boards work as a team, with each member sharing the common concern for the library's welfare. While board members need to express themselves on various issues, they need to avoid making personal remarks. Mutual respect and good will go a long way to making your board experience a positive one.

Support board decisions. Boards need discussion and debate to arrive at good decisions. Once a decision is made, however, all board members should support the decision. Good board members refrain from criticizing or attacking decisions after they have been made, particularly in public. Of course, it is proper to seek reconsideration of the issue should situations change in the future.

Advocate for the library. Trustees promote the library in ways that no one else can do. Seek opportunities to promote the library, such as speaking before local groups on new initiatives your library has undertaken. On a personal level, indicate to friends, co-workers, and relatives about the resources available at the library.

Respect the role of the library director. The board should be careful to respect the management function of the library director. While the board establishes policy and

approves major decisions, it does not assume the role of the library manager. That job is delegated to the library director hired by the board. To ensure the best library service, the director must be allowed to manage the library without inappropriate board interference. Conscientiously stay out of day-to-day library management and operations.

Support the library director. At times, the library director may be under attack by a citizen or government official. The board assumes the director is correct and then investigates the situation.

C. Trustee Orientation

The library director and existing board members are responsible for providing an orientation for new library trustees. New trustees cannot adequately fulfill their legal responsibilities as board members until they understand the basics of the public library and of the board's authority. The following is a list of items and actions to include as part of orientation:

Tour of the library building: Give the new trustee a tour of the library and introduce him or her to staff members. Give the trustee a map of the library, a list of staff members and any other public library handouts provided to the public. The tour should include details of each library department and its function in relation to the working of the entire library. Even small libraries have special collections and staff areas of which a new board member may not be aware.

Mission Statement and Strategic Plan: Review with the trustee the library's mission statement, long-term goals and strategic plan.

Policy Manual: Review with the trustee the library's policy manual. This way the trustee learns that the library board is responsible for adopting and revising library policies.

Budget: Review with the trustee current and previous budgets, as well as audit reports. Demonstrate the connection between the strategic plan and the budget.

Board Minutes: Review with the trustee its bylaws and recent board minutes. All trustees need a copy of the Open Meetings Act and must understand how they are governed by this act.

Annual Report: Review with the trustee copies of the library's recent annual reports.

Library Calendar: Review with the trustee a calendar of library legal requirements, including the fiscal year, deadlines for filing reports for state aid, when officers are elected, when the budget is prepared, and so forth.

Web Site: Review the library's Web site, noting the information offered by the library.

Role of Director: Review with the trustee this chapter and chapter 10, noting the different roles of the trustees and the director. It's best if the board chair or other board member conducts this section of the orientation.

Library of Michigan: Explain to the trustee the relationship between the public library and the Library of Michigan. Make sure the trustee receives a copy of the Library of Michigan's newsletter, *ACCESS*, found at:
http://www.michigan.gov/hal/0,1607,7-160-18835_18895_20702---,00.html.

Library Cooperatives: Explain the specific services offered by the local cooperative. Trustees need to know about and be encouraged to attend cooperative-sponsored workshops.

Michigan Library Association: Encourage the trustee to join the Michigan Library Association's Trustee and Advocates Division and to support its role in lobbying for libraries.

Michigan Library Laws: Give the trustee a copy of the library law under which your public library is established and Public Act 89 of 1977. All board members need to understand that the board acts as a whole and that individual trustees may not act alone unless authorized by the entire board.

Checklist for Chapter 1

- ⇒ Do you understand your legal authority to govern the library?
- ⇒ Do you attend meetings regularly?
- ⇒ Have you read the Ethics Statement for Public Library Trustees?
- ⇒ Do you understand the board's proper relationship to the director?
- ⇒ Do you have a clear idea of your basic duties?
- ⇒ Did you receive an orientation when you joined the board?

Quality Services Audit Checklist (QSAC) Measures for Trustees

Essential Level – Core Measure for Governance/Administration

New board members participate in an orientation program which includes a description of library services, the role of the Library of Michigan and library cooperatives, instruction on their role as policy makers versus policy implementers and a complete tour of the library facilities.

Essential Level – Elective Measure for Governance/Administration

The board participates in an orientation program, which includes background on the Michigan Open Meetings Act, guidelines for setting agendas and methods for running meetings.

Essential Level – Core Measure for Human Resources

The director gives each board member a copy of the Michigan Public Library Trustee Manual.

Enhanced Level – Elective Measure for Public Relations

The library board and administration promote the formation of and support active participation in a Friends group.

Excellent Level – Elective Measure for Human Relations

The board recruits candidates with expertise in identified areas, such as legal, marketing and insurance, or to represent a segment of the population.

Chapter 2: Bylaws and Board Organization

Board Relations, Conflict of Interest, Liability and Indemnification

A. Bylaws and Board Organization

1. Bylaws

Bylaws are rules of behavior that govern the board. Effective bylaws fulfill five important functions. They:

- Guide the board's deliberations;
- Provide a structure for conduct at meetings;
- Describe the board's primary duties;
- Provide for compliance with the Michigan Open Meetings Act; and
- Let the public know how the board fulfills its public trust.

State statutes empower library boards to adopt rules and regulations for their own governance. Boards (both governing and advisory) fulfill this requirement by writing and adopting bylaws.

Bylaws are the basic rules relating to the library board as an organization. They define the primary characteristics of the library board and describe how the board functions. If you need to write new bylaws for your library, start by looking at the work done by other libraries. There are also many excellent examples to be found on the Internet, such as those of the Cleveland Heights-University Heights Public Library, <http://www.heightslibrary.org/access/bylaws.php>.

While there are many areas that can be covered in board bylaws, the following are the basics that ought to be included:

- Establishment of the official name of the library.
- Establishment of the authority of the library board to exist, citing the establishment statute or the source of the library's existence, e.g., the County Libraries Act or the city charter, or some other higher authority.

- Description of how officers are elected, schedule for elections and rotations of office. Most boards elect a president, vice president and secretary. Some include a treasurer. Note that a board secretary does not take and keep minutes of the board meetings. This activity effectively removes him or her from participation in the meeting. Use a staff member (not the director) to take board minutes, except for closed sessions. Wise boards rotate officers to keep new ideas flowing and to educate board members in all aspects of board management.
- Description of when meetings will be held, what constitutes a quorum, and what defines the order of business.
- Description of the board's powers and duties, both stated and delegated.
- An outline of board participation in strategic planning, policymaking and funding decisions.
- Description of duties of the library director with provision for periodic evaluation of the director's job performance.
- Outline of the board's responsibility for prudent stewardship and management of the finances and resources of the library.
- Outline of delegation of library administration.
- Description of any committees including names, number of members and rotation of members. It is not necessary to have committees; (the board can act as a committee of the whole) and many smaller libraries run perfectly well without them. However, board committees can prove helpful, especially in the areas of personnel, policies, finance, bylaws and board recruitment. Committees can be standing or ad hoc. An ad hoc committee should go out of existence with the completion of its purpose. For example, a building committee ends when the building project is completed. A finance committee, however, continues with the life of the library. It is a good idea to rotate committee members, just as you would rotate board officers. This gives each board member a chance to learn and grow. It also keeps members from becoming entrenched in certain roles.
- Description of how bylaws may be amended.

2. Order of Business

The Order of Business is the blueprint for board meetings. A typical agenda will look like the following:

- Call to order
- Approval/amendment of the agenda
- Approval of the last meeting's minutes
- Treasurer's report
- Committee reports
- Director's report
- Old business
- New business
- Public comment
- Adjournment

Include public comment at some point in your agenda. If you wish to limit the time an individual may speak, include that in your bylaws. Anyone attending a meeting is not required to give their name or address, but you may require this information if they wish to speak during the public comment portion of a meeting.

B. Board Relations

Board discussion is a healthy part of reconciling diverse views. However board contention can be a sign of trouble. Discussion strengthens a board's ability to govern, but contention can destroy it. It is the responsibility of the board leadership to resolve conflict among board members. A director cannot be put in the position of chastising a board member, the director's employer.

There are steps the board chair can take to keep conflicts from escalating into contentiousness. First, use the controlled environment of the board meeting to close down attention seekers, argument-prone members and time wasters. Establishing time limits for each portion of the agenda is helpful. These limits give you a tool to move the meeting away from fruitless arguing. Focus on the agenda and make use of committee delegation to end conflict. Creation of a new committee can be an effective means by which a frustrated board member can contribute a valuable service.

Second, follow term limits and rotate positions to control contention. Effective recruitment is perhaps the most valuable tool for creating a vibrant, healthy board. A nomination and recruitment committee can ensure the diversity of a board, provide effective orientation for new board members, organize board retreats and provide the board with recognition and rewards.

Finally, the board chair must make it part of his or her job to resolve conflicts that have turned into contention. Seek to educate rather than reprimand. Meet with individuals one-on-one in a neutral location. Avoid placing anyone on the defensive and exercise discretion. Recognize good will in someone else, and allow a little time to pass. A board member will come to recognize that the board chair is making a sincere effort to maintain a positive, progressive board.

C. Conflict of Interest

Library board members need to be aware of the Incompatible Public Offices Act (Public Act 566 of 1978). This act prevents the subordination of one public officer to another and the supervision of one public office by another. In other words, a member of the library board may not also serve as a library employee, or in another example, a county commissioner cannot serve on the board of a county library.

Board members need to excuse themselves from discussion and voting when the board is considering a matter that may involve profit for a board member or relation. It is not necessary to leave the room, but acknowledging a possible conflict of interest is always wise.

Current trustees and staff members should not hold office in the Friends of the Library organization. Doing so could jeopardize the Friends' standing as a non-profit organization.

D. Liability and Indemnification

Although suits brought against library board members are not common, members are at risk and need to protect themselves. Even if a lawsuit is without merit, the library may still incur costs to defend its board against legal action.

If advisory, the library board should check with the local governing authority to determine if members are shielded from personal liability. Governing boards can protect themselves by purchasing directors and officers liability insurance for members and employees.

Liability suits against library trustees can arise from:

- Violations of the Open Meetings Act or the Freedom of Information Act;
- Acts in excess of authority;
- Error in acts;
- Conflict of interest;
- Nonfeasance;
- Negligence; and
- Intentional violations of civil law against a person or their property.

The American Library Trustee Association (ALTA) developed and approved the following indemnification statement:

It should be considered mandatory that every library have an adequate level of insurance coverage. If any claim or action not covered by insurance or state statute is instituted against a trustee, officer, employee or volunteer of the library system arising out of an act or omission by a trustee, officer, employee or volunteer acting in good faith for a purpose considered to be in the best interest of the system, or if any claim or action not covered by insurance or state statute is instituted against a trustee, officer, employee or volunteer allegedly arising out of an act or omission occurring within the scope of his/her duties as such a trustee, officer, employee or volunteer, the system should at the request of the trustee, officer, employee or volunteer:

- a) appear and defend against the claim or action,
- b) pay or indemnify the trustee, officer, employee or volunteer for a judgment and court costs, based on such claim or action, and
- c) pay or indemnify the trustee, officer, employee or volunteer for a compromise or settlement of such claim or action, providing the settlement is approved by the board of trustees.

Decisions as to whether the system shall retain its own attorney or reimburse the trustee, officer, employee or volunteer expenses for their own legal counsel shall rest with the board of trustees and shall be determined by the nature of the claim or action. The term trustee, officer, employee or volunteer shall include any former trustee, officer, employee or volunteer of the system.

Checklist for Chapter 2

- ⇒ Do you have a copy of the current bylaws?
- ⇒ Do your bylaws cover the items listed in this chapter?
- ⇒ Have your bylaws been reviewed by an attorney?
- ⇒ Are your bylaws reviewed on a regular basis?
- ⇒ Are you protected by liability insurance?

Quality Services Audit Checklist (QSAC) Measures for Trustees

Essential Level – Core Measure for Governance/Administration

The board has approved bylaws, which define its board officers, such as president, secretary and treasurer, outlines its purpose and operational procedures and addresses board conflict-of-interest issues. The board periodically reviews and, if necessary, updates its bylaws.

Chapter 3: Policies

Policies are the rules of your “library land.” They reflect your attitudes toward your building, collection, services, staff and community. Your written and approved policies govern the operation of the library. The Michigan Constitution grants public library boards the authority and responsibility to adopt regulations, or policies, for the public’s use of libraries. Library boards usually adopt two separate policy manuals: one to cover rules of the public library and one to cover personnel issues.

Stated policies balance competing interests in public service. For example, a library may not have enough computers for public use. In this case, the library board can approve a policy limiting the time each patron may spend at one computer, thereby giving all patrons an opportunity to use the computers.

The library cannot operate effectively without **formally adopted, written policies**. “Formally adopted” means that the policies are adopted by resolution of the library board in a meeting conducted according to the Open Meetings Act. Policies adopted by any other method may not be valid if challenged by patrons.

Quality Services Audit Checklist Appendix A, found at the Web site <http://www.michigan.gov/qsac>, contains many suggestions for the types of policies library boards adopt. At that same site, links to reference sources for policy language can be found. Trustees, the library director and staff can follow examples set by other libraries in creating their own. Policies are normally drafted by staff, assisted by legal counsel, trustees and patrons, and are influenced by federal, state and local laws.

The board must review its policies on a regular basis. Policies need to be updated to meet changing circumstances in population, growth or decline of related institutions, new technology, funding fluctuations and changes in state and federal laws.

One policy can serve several purposes. For example, most libraries have a policy prohibiting the consumption of food in the library. This policy:

- Gives direction and establishes consistent rules of behavior for patrons;
- Supports the goals of the library. You may have a strategic goal of keeping the library clean and attractive;
- Empowers staff to enforce policies without becoming personal, *“To protect our materials and keep the library clean, our policy is to ask you not to eat in the library.”* ;
- Reflects the community’s need to protect its investment in the library building;

- Ensures staff and public safety by controlling rodent and insect infestations; and
- Ensures accountability and enforcement, as the patron may be asked to leave if he or she does not comply.

Policies must be:

- Customer-focused;
- Understandable;
- Written down and board-approved;
- In place before they are needed; and
- Reviewed by legal counsel.

Checklist for Chapter 3

- ⇒ Do your policies support the mission, goals and objectives of the library?
- ⇒ Were your policies formally adopted by the board?
- ⇒ Have the policies been reviewed by legal counsel?
- ⇒ Have the policies been shared and commented upon by staff?
- ⇒ Does your board review its policies on a regular basis?

Quality Services Audit Checklist (QSAC) Measures for Trustees

Essential Level – Core Measure for Governance/Administration

The board is responsible for approving written policies for all aspects of library services such as services offered, collection development, personnel, maintenance, technology, finance and public relations.

Chapter 4: Planning

A. Planning

Planning for the future is one of the library board's primary responsibilities. A good plan is a roadmap for the library. It assists the board and the director in making the best decisions for the community. It also publicizes the library's priorities and future vision to the community.

A good plan reflects examination of the following questions:

Where are we now?

What is the present state of the library? How does the library meet the community's needs? What are the economic, political and cultural factors that affect library services? What role does (or should) the library play in the community?

Where do we want to go?

What trends can be identified as significant to the library's future? What is the mission of the library? Does the library have a mission statement? What are its goals? What does the library want to accomplish?

How do we get there?

How will the library make its vision a reality? What steps should be taken? Who has responsibility for each step? What is the best sequence and timetable for implementing the steps? How and why will we adapt our plan in the future?

How do we know we've arrived?

How will the board determine when the plan has succeeded? What measurements of attainment will be used?

Planning involves looking at what is possible among a wide range of alternatives. Planning takes into account the present and future needs of the entire community served by the library. A good plan also helps the library develop alternative scenarios for a changing future. Obtaining input from members of the public, the director and the library staff is critical. Often, Friends of the Library serve as representatives of the general public. Other times, influential members of the community and/or representatives from other governmental units are sought to serve on the planning team.

Good planning requires work and time. It requires a thorough examination of many factors and ideas. An excellent, useful tool in this process is the American Library Association's (ALA) Planning and Role Setting for Public Libraries. Although published in 1987, it still serves the purpose well.

The Library of Michigan provides the Quality Services Audit Checklist, known as QSAC. These measures help libraries determine what level of service they're currently offering, and where efforts should be concentrated for improvement. The Library of Michigan awards certificates of attainment for compliance at three levels of service: essential, enhanced and excellent. Certificates of attainment are awarded on stated objectives. Library directors and trustees are encouraged to use these standards when measuring their current level of service and as markers for the future. QSAC details can be found at <http://www.michigan.gov/qsac>.

B. Planning Statements

A good plan follows a hierarchy, starting with a mission statement, then goals, objectives and, finally, action statements.

Mission Statement - a concise statement of the library's purpose for existing. The statement is carefully worded to provide enough specificity to serve as a guide for the rest of the plan without losing focus. In other words, it is brief and direct. A mission statement is the most basic and permanent part of the plan. The library's goals, objectives and action statements flow from the mission statement.

Goals - a broad statement of what the library should be doing in the future. Goals must be consistent and flow from the mission statement. An example of a goal is:

The library will provide access to a library building for residents within a 10-mile driving radius.

Objectives - statements of specific results to be accomplished that support achieving a goal. Objectives need to be capable of being counted or measured. This allows for a determination of the successful accomplishment of a goal. For example, an objective in support of the above goal could be:

The library will build two branch libraries within the next 10 years.

This statement makes it possible for the board and community to determine if this objective has been met. It provides a time frame in which to build a specific number of branches.

Action Statements - statements describing the means that will be used to attain the objectives. These are the most specific part of the planning statements. An action statement includes a detailed time frame, names personnel who will participate and outlines specific costs.

C. Evaluation

When the plan is completed and implementation begins, the planning process shifts to review and evaluation. The board monitors the plan's progress, and makes adjustments as necessary. Are goals being accomplished? Are parts of the plan out-of-date and in need of amendment or abandonment? Are there new community elements that need to be added to the plan?

Plans are dynamic documents and at times it is necessary to alter them. While mission statements remain constant over long periods of time, goals, objectives and action statements are often amended in light of changing circumstances, such as shifts in population, in funding or in technology.

With a strategic plan in place, all elements of the community know where library service is headed, at what cost and in what time frame. Strategic plans determine budget planning, staff allocation and public service direction. Long-term plans are the cornerstone of board leadership.

Checklist for Chapter 4

- ⇒ Has your library developed a strategic plan for the library?
- ⇒ Did your board use the Library of Michigan's Quality Services Audit Checklist (QSAC) during the planning process?
- ⇒ Were all four elements — the community, board, director and staff — considered and consulted in the planning process?
- ⇒ Has your board evaluated the strategic plan within the past year?

Chapter 5: Funding

Michigan libraries have many sources of funding. This chapter reviews these sources, including local, state and federal levels of support.

A. Local Funding

1. Individual Library Millages

The most stable funding for a public library is through a library millage. Such millages are voted on by the electorate and are designated specifically for library purposes. Local municipalities may not use library millages for any other purposes, except downtown development authorities can capture millage funds.

Although public library funds may not be used to fund millage campaigns, the library board of trustees can and should support library millage campaigns. Separate “campaign finance committees” are set up through the Michigan Bureau of Elections (Department of State) and are funded separately. Individual board members, Friends and off-duty staff members may participate in the activities of a campaign finance committee.

A. City, Village and Township Libraries

Millages for township and village libraries are covered by Sections 10 and 10c of Public Act 164 of 1877. (See Michigan Compiled Laws 397.210 and 397.210c.)

City library millages are covered by Section 1, or Sections 10a and 10c of the same act. (See Michigan Compiled Law 397.210, 397.210a, and 397.210c.)

Knowing which section of the Michigan Compiled Laws applies to your library, gives you the knowledge of how your library can start a millage campaign.

Section 10c provides that libraries established pursuant to Sections 10 or 10a of Public Act 164 of 1877 may place library millage questions on the ballot by presenting a resolution to the local municipal clerk for inclusion on the ballot at a regular or special election. City libraries established under Section 1 of the act are eligible for up to one mill without a vote and for an additional mill with a vote, both at the discretion of the city council.

City, village and township libraries that were not established pursuant to Public Act 164 of 1877 may attempt millages pursuant to MCL 397.210 or MCL 397.210a if they also simultaneously re-establish under Public Act 164 of 1877. (See Michigan Compiled Laws 397.212.) This is accomplished by including establishment language in the ballot question for a library millage. Under these sections, a petition signed by at least 50 voters must be presented to the local municipal clerk for inclusion on the next regular election ballot. It is imperative that library boards guide their decisions with legal support.

B. District Libraries

District library boards may place district-wide millage questions on the ballot by resolution of the library board. If an individual municipality within a district library wishes to provide separate millage support for the district library, the governing board of that municipality may place the millage question on the ballot.

See Public Act 24 of 1989 for specific provisions on district library millage elections and the Library of Michigan's District Library Law document at http://www.michigan.gov/documents/hal_lm_distliblaw_51001_7.pdf.

C. County Libraries

Millages for county libraries are placed on the ballot by the County Board of Commissioners pursuant to Public Act 138 of 1917. (See Michigan Compiled Laws 397.301.) If the County Board of Commissioners does not choose to place the library millage question on the ballot, there is no way for a library board to do so. However, residents of the county may petition the Board of County Commissioners to place a library millage question on the ballot, but the petition does not make placement on the ballot mandatory.

D. School District Public Libraries

School district public libraries may no longer be funded by millages because of the school finance reform legislation of 1994, known as Proposal A.

For more information regarding library millage campaigns, the Michigan Library Association (MLA) has an audio-visual publication available for rent: **Vote Yes! Millage and Bond Issues** (VHS or DVD; May 16, 2003) is available for purchase for \$70, or for six-week rental for \$40 plus return postage. For details, contact MLA at (517) 394-2774.

2. Re-establishing as a District Library

Frequently, city, village and township libraries receive adequate funding from their legal service areas but are unable to extract fair payment from their contracting municipalities (see section A.5. of this chapter).

If the option of a countywide millage (see section A.1.C. of this chapter) is not possible, these libraries may wish to re-establish as district libraries pursuant to Public Act 24 of 1989. By re-establishing as a district library, a city, village county, or township library increases its legal service area to include the additional municipalities served previously as contractual areas.

After re-establishing as a district library, the library board is authorized to place a district-wide millage question on the ballot for voter approval. If approved, this millage covers the entire district. For more information, see the Library of Michigan's publication, **District Library Law: Establishing and Funding a District Library**. The 2003 edition of this publication is available at http://www.michigan.gov/documents/hal_lm_distliblaw_51001_7.pdf.

3. County-wide Millages

Counties often include one or more public libraries that may not have their own voted library millages. Instead of attempting a separate library millage campaign in each library's legal and/or contractual service area, some libraries obtain a county-wide millage which is divided among the libraries in the county based on a formula agreed to by the libraries, using per-capita or another basis for the millage.

Countywide millages may be placed on the ballot by the County Board of Commissioners, pursuant to Public Act 138 of 1917. (See Michigan Compiled Laws 397.301.) Prior to the vote on the countywide ballot question, all of the library boards in the county enter into a library services agreement with the County Board of Commissioners and the county library board, if any. This agreement details the method of division of the county library millage and the amount to be collected annually.

4. Appropriations

A public library can receive local funding through appropriations from local municipalities. Municipalities, including counties, cities, villages, townships or school districts, appropriate monies from their general funds to provide library service to residents of the municipality. These appropriations may be made if the public library is located within the municipality's boundaries (legal service area) or if the municipality contracts with a neighboring public library to provide library services to its residents.

With a few exceptions, municipalities are not required by law to provide appropriations for public library service. If there is no special statute or written contract by which the municipality agrees to fund the library, the library board cannot force the municipality to make appropriations from the general fund. If the local municipality is unwilling or unable to provide appropriations sufficient to support the library, then the

library board may want to consider a district library reorganization and/or millage campaign.

5. Contractual Funds

Some Michigan municipalities do not have separate public libraries. Residents of such municipalities can receive services through contracts with legally established public libraries in exchange for funds, such as their penal fines, state aid and/or other appropriations.

Sometimes, these contractual payments are less than those provided by the legally established area. In essence, the taxpayer of the legally established library may partially subsidize the taxpayers of the contractual areas. You can ascertain if the use of your library by the contractual units is adequately compensated through their payments. If not, a gradual increase in funds may be called for. Or, you may wish to consider re-establishing as a district library with your contractual communities.

6. Fund Raising

The library board of trustees may decide to sponsor fund-raising options, such as special events, direct grants or solicited donations. These efforts are often undertaken to support a special project, such as a library garden, a children's programming area or a special book collection.

Before starting a major fund-raising campaign or establishing an endowment fund or foundation, the library board should consult its attorney to avoid violation of any state or federal laws on soliciting charitable donations. The Michigan Treasury monitors use of the solicited funds.

Many communities have large and small foundations that are willing to fund well-documented library needs. Children's programs and services are especially appealing to donors.

7. Casinos

Michigan casinos are required by law to donate 2% of their profits to local non-profit organizations. Some public libraries are successful in obtaining a portion of these funds, usually by tying the services of the library to a need in the Native American community.

B. State Funding

1. State Aid

Since 1939, with the exception of fiscal years 1940 and 1941, the State of Michigan has provided assistance to Michigan public libraries. Currently, Public Act 89 of 1977 sets forth the statutory provisions for library cooperatives and public libraries and the formulas for disbursing state aid grants. Public Act 89 of 1977 places the responsibility on each public library and library cooperative to decide whether they will apply for state aid on an annual basis.

The public library filing a state aid application must meet three guideline requirements: Based on the population served, the local area must provide a minimum of three-tenths (3/10) of a mill to the library, be open a certain number of regular hours, and have personnel whose education level is certified by the Library of Michigan. For specific guidelines, consult the latest Library of Michigan state aid guidelines found at http://www.michigan.gov/documents/hal_lm_stateaid_52387_7.pdf.

A. Direct State Aid

After the public library files a state aid application and it is determined that guidelines are satisfied, the public library receives a state aid reimbursement based on a *per-capita* amount. The current legislation authorizes a maximum level of \$0.50 as the *per-capita* amount, but actual appropriations may be less than this amount.

B. Indirect State Aid

A public library is also eligible to receive a second identical *per-capita* grant if the public library chooses to be a participating member of a library cooperative. This state aid payment is generally referred to as indirect state aid, or cooperative membership state aid. Indirect state aid is often referred to as “C164” money, as Section c16(4) of the Act covers this payment.

C. Library Cooperative State Aid

Library cooperatives also receive a direct *per capita* payment for the population assigned to the cooperative’s designated service area. This state aid is used to support a variety of activities as outlined in the cooperative library’s plan of service to member libraries.

D. Sparse Population

To compensate sparsely populated areas, a special cooperative grant based upon \$10 per square mile is made to those library cooperatives whose population is less than 75 people per square mile. This second cooperative grant benefits some of the library cooperatives in northern Michigan.

E. County Libraries

A grant of state aid is provided to those county public libraries that serve less than 50,000 persons. In part, the grant provides up to \$4,800 if the county library employs a director with a master's degree in library science from a school accredited by the American Library Association and who has four years of administrative experience.

F. Public Library Funding Initiative Group (PLFIG)

PLFIG began as a grassroots effort by Michigan's librarians and others interested in library service, to address longstanding issues related to funding for public libraries in our state. In 2001, PLFIG commissioned a report by the Information Use Policy Management Institute at Florida State University entitled: *Creating Stability and Equity in Michigan Public Libraries*. In a nutshell, long-term funding recommendations include these components:

- Direct state aid to public libraries should be in the \$5 to \$7 per capita range;
- Direct state aid to cooperatives should be formula-driven and include base grants, plus per capita grants of \$1.50 to \$3; and
- These funding increases need to be proposed in conjunction with service quality guidelines, accountability, and incentive awards

PLFIG details can be found at the Web site <http://www.plfig.org>.

2. Penal Fines

In 1835, delegates to the first Michigan Constitutional Convention, which created our state, passed a constitutional provision that encouraged the legislature to:

“provide for the establishment of libraries ... and clear proceeds of all fines assessed in the several counties for any breach of the penal laws shall be exclusively applied for the support of said libraries.”

The 1963 Constitutional Convention re-adopted a provision from the 1908 Constitution, which guarantees that all fines collected for violation of state penal laws are to be used exclusively for library purposes. Michigan has enacted statutes requiring that all fines collected for violations of the state penal laws are paid to the local county treasurer. The penal fines collected within each county are distributed in that county on a per-capita basis. Michigan is the only state that uses penal fines as a funding mechanism for libraries.

Statutes provide the legal basis for courts to impose penal fines and costs in both criminal and civil cases. Judges have discretion in deciding the actual amount of fines and court costs, which results in a fluctuation of penal fines from year to year and from county to county. In other words, penal fines are not a stable source of library funding.

Many judges are not aware of the vital need for penal fines in support of libraries. As a board member, you have an opportunity to educate them on how penal fines have improved the lives of their constituents. For example, invite your local judges to your library for breakfast and a tour. Show them the tangible results of how penal fines have improved library services for their constituency.

Municipalities can and do circumvent the constitutional penal fine provisions by adopting their own local parallel ordinances. When violators are fined under local ordinances rather than under state penal laws, the fines paid do not go to public libraries. Penal fines reports can be found at the Web site http://www.michigan.gov/hal/0,1607,7-160-17451_18668_18686---,00.html.

C. Federal Funding

1. Library Services and Technology Act (LSTA)

Support for statewide services to all Michigan libraries, and startup funding for innovative projects is provided through the federal Library Services and Technology Act (LSTA).

The Library of Michigan administers these federal funds. Cooperation among all types of libraries is a major theme of the sub-grant program supported with LSTA funds. Goals for the improvement of library service, as well as the specific programs and services to be funded under LSTA can be found on the Library of Michigan's Web site at <http://www.michigan.gov/lsta>

Checklist for Chapter 5

- ⇒ Do you believe your library is adequately funded?
- ⇒ Does your board know, and make use of, the various types of library funding available?
- ⇒ Are your library's fund-raising efforts effective?
- ⇒ Has your library considered applying for an LSTA grant?

Quality Services Audit Checklist (QSAC) Measures for Trustees

Essential Level – Core Measure for Governance/Administration

The board approves a plan to recognize contributions to the library.

Enhanced Level – Elective Measure for Governance/Administration

The director and/or board member make at least annual appearances before local funding officials, if applicable.

Excellent Level – Core Measure for Governance/Administration

The board establishes a policy regarding and a plan for the acceptance of gifts of real and personal property, endowment funds and planned giving.

Chapter 6: Budget

Once the library's mission statement, goals, objectives and action statements are in place, the budget process flows from those directives. Having a strategic plan makes it easier for trustees and directors to agree on budget priorities.

A. Budgeting

Effective library planning requires adequate budgeting. The budget reflects priorities of the library plan and determines how resources are allocated throughout the library.

Boards work with the director in developing the budget. Usually the director proposes a draft budget and presents it to the board for review and approval. Some boards establish a finance committee to formally assist the director in this process. When complete, the board reviews the draft budget and adopts it for implementation.

Preparation of a budget takes considerable time. An annual timetable helps identify specific deadlines for each step of the process. This permits full consideration and debate on all significant elements of the budget.

Budgets must be written in conformity with Michigan law. Before the beginning of each fiscal year, the board is required by the state to adopt a balanced budget.

Trustees are legally responsible for all library expenditures, so board members need a thorough understanding of all aspects of the budget. The director must provide detailed financial reports and make full explanations of all budget expenditures and variances.

Board meetings must allow adequate time to discuss budget issues. Scheduling an annual training session on budget reports is an excellent means of educating all trustees on financial considerations. Budget information must be accurate, thorough and timely. The director must provide written budget updates on a regular basis, preferably monthly. Budget problems can be resolved more successfully when reviewed month by month, rather than solely at the end of the fiscal year.

The budget process can reveal flaws in the overall funding of the library, and focuses attention on the board's responsibility to obtain adequate funding for the library.

B. Audit

Public libraries are required to have audits pursuant to the Uniform Budgeting and Accounting Act. The audit must be performed by a certified public accountant. The library may have a separate audit for the library alone, or it may be included in a municipality's audit. For example, a township library may be included in the township's overall audit.

Libraries serving a population of less than 4,000 are required to have an audit only once every two years. Libraries serving populations of more than 4,000 must have annual audits.

The Financial Management Reference Guide for libraries can be found at http://www.michigan.gov/hal/0,1607,7-160-18835_18894-69217--,00.html. This publication covers information on accounting, fund balance, budgeting, financial reporting, property taxes, state funded revenue, investments, real estate, inventory, financing, the audit process and internal controls. This publication was prepared by the accounting firm of Plante, Moran under a federal grant managed by the Library of Michigan. It is for the use of all Michigan public libraries.

Checklist for Chapter 6

- ⇒ Does your library's budget dovetail with your strategic plan?
- ⇒ Does your director provide you with detailed budget information on a monthly basis?
- ⇒ Is enough time given at your board meetings so you understand your library's budget?
- ⇒ Do you have internal controls in place to protect your library's funds?
- ⇒ Does your board have an annual audit performed by a certified public accountant or is the library included in a municipality's annual audit?

Quality Services Audit Checklist (QSAC) Measures for Trustees

Essential Level – Core Measure for Governance/Administration

The board adopts an annual budget and reviews monthly financial reports. If appropriate to its governance, the board contracts and reviews an annual audit. The board maintains appropriate insurances.

Enhanced Level – Core Measure for Governance/Administration

The board adopts a written financial plan including a written procurement plan for purchasing materials necessary to operate the library.

Excellent Level – Core Measure for Governance/Administration

The board establishes a policy regarding and a plan for the acceptance of gifts of real and personal property, endowment funds and planned giving.

Chapter 7: Advocacy and Public Relations

A. Advocacy

Local Advocacy

Library board members interpret the programs, policies, and services of the library to the general community. Whenever and where ever possible they speak up in favor of the library.

Trustees are also the “listening ear” for the library, learning from the community its local concerns and conveying that information at board meetings. It helps the library when trustees are good listeners, asking open-ended questions and probing for facts behind opinions.

Trustees work with the library director to project a positive image of the library to the community. The trustee who is an ardent supporter of the library will become known in the community as a person who can answer questions about the library and its services.

The board asks the community for opinions, using surveys and/or questionnaires developed by the director and staff. Useful suggestions can be implemented. Trustees, formally and informally, promote the library’s services and needs to community leaders, business leaders and other civic agencies.

State Advocacy

Trustees are libraries’ best advocates at the state level. They are viewed by legislators as advocates of a respected segment of the public. Through the Trustees and Advocates Division of the Michigan Library Association (*see Chapter 12, Resources and Support*), trustees combine to create a vital, powerful voice for library services. Visit the division Web site at <http://www.mla.lib.mi.us/units/roundtable/trus/index.html>.

National Advocacy

The same holds true at the national level. Through the American Library Trustee Association (ALTA), library trustees gain a voice in national events concerning libraries. Visit ALTA’s Web site at <http://www.ala.org/ala/alta/alta.htm>.

B. Public Relations Responsibilities

Trustees perform public relations responsibilities:

Hire a good director. It is the board's responsibility to hire the best director they can afford for the job.

Provide quality service. The board ensures the library's policies support quality service. No amount of good public relations can make up for bad service. Trustees ensure that library services are evaluated at regular intervals.

Adopt a public relations policy. The board, with the director, develops and adopts a strongly defined public relations policy. This policy guides the library director in the development of a schedule of activities to promote the library's role and to market its services and materials. QSAC provides three public relations checklists in its appendices section at <http://www.plfig.org/qsac-appendices.htm>.

Publicize the library. The board supports the expenditures of time and funds needed to support the library's public relations efforts. News releases, program flyers, radio and television announcements, cable TV, community organizations' newsletters, billboard space and announcements made at club meetings and civic associations and local business newsletters are all possible. Often, library trustees are the best means of spreading news about the library and need to seize every opportunity available.

Explain the library budget. As public officials responsible for the use of public library funds, trustees are accountable to the community for that money. Effectively explaining how and why the library spends its money comprises a great deal of the trustees' public relations role.

Use the library. This may seem obvious, but it bears mentioning. Trustees need to visit and use the library regularly. Never ask for personal exceptions to the library's rules and regulations. Excellent libraries have trustees who:

- Have library cards;
- Attend special events at the library;
- Assist with surveys of the community;
- Encourage the development of a Friends' group and/or library foundation; and
- Make public presentations on behalf of the library

Trustees' vocal and visible enthusiasm for the library attracts the support of other community members. A trustee who is knowledgeable, enthusiastic and supportive of the library will serve as the library's best public relations advocate.

Checklist for Chapter 7

- ⇒ Are you aware of your public relations role?
- ⇒ Is the board working with the director to promote a positive image of the library?
- ⇒ Has the board adopted a public relations policy for the library?
- ⇒ Do you use the library yourself? Do you have a library card?

Quality Services Audit Checklist (QSAC) Measures for Trustees

Essential Level – Elective Measure for Governance/Administration

Board members, Friends and other citizens act as advocates for the library. The library encourages their participation at the local, cooperative, state and national levels.

Essential Level – Core Measure for Public Relations

The library board approves a public relations policy. The library board and staff annually evaluate its policies and procedures in terms of their effect on the public and the library's public relations efforts.

Enhanced Level – Elective Measure for Human Resources

The library board encourages and supports staff, with budget allocations and release time, to be involved in community organizations and activities. Typical local organizations for library staff to work with are the chamber of commerce, Kiwanis, Rotary, school boards, planning committees, historical and genealogical societies, senior centers, public and private schools, foundations, governmental units and other non-profit organizations.

Enhanced Level – Elective Measure for Governance/Administration

The director and/or board member make at least annual appearances before local funding officials, if applicable.

Enhanced Level – Elective Measure for Public Relations

The library board and administration promote the formation of and support active participation in a Friends group.

Excellent Level – Core Measure for Governance/Administration

The director and board regularly participate in Michigan Library Association legislative activities.

Excellent Level – Elective Measure for Governance/Administration

If applicable, all board members join the regional trustee group.

Excellent Level – Elective Measure for Human Resources

The library pays for board members' membership in the Michigan Library Association.